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Implementation of the proposals for action of the Intergovernmental Panel on Forests/Intergovernmental Forum on Forests and the plan of action of the United Nations Forum on Forests: progress in implementation: maintaining forest cover to meet present and future needs

Maintaining forest cover to meet present and future needs

Report of the Secretary-General

Summary

The proposals for action of the Intergovernmental Panel on Forests (IPF) and the Intergovernmental Forum on Forests (IFF) concerning maintaining forest cover to meet present and future needs are directed towards assessing long-term trends in forest goods and services and national efforts to develop policies and strategies for sustained production of a wide range of forest products and services.

There has been a steady development of forest sector planning efforts at the national level, complemented by regional and global outlook studies for the forest sector. National forest programmes in many countries increasingly are reflecting a wide range of forest values. Similarly, there has been an evolution in the approach to long-term forest sector projections and outlook studies, incorporating a broad array of forest goods and services and emphasizing countries' ability to shape their future through the policy decisions made today. While there has been significant progress in regional and global forest sector outlook studies, thorough long-term sector analyses are less developed at the national level. The degree to which long-term, comprehensive forest sector assessments contributes to sustainable forest management will depend on their further development at the national level and the extent to which the relevant results of regional and global studies can be incorporated

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into national planning processes. Effective implementation of the IPF/IFF proposals for action can be enhanced by improving the information base for effective forest sector planning, strengthening institutional structures and planning capabilities, and devoting adequate financial resources to planning and implementation.

The Forum may wish to, inter alia, call for strengthened efforts by countries to assess long-term trends in supply and demand for wood and non-wood forest products and services; continuation of global and regional forest outlook studies; strengthened capacities in data collection and analyses; inclusion of long-term objectives of meeting future supply and demand for wood and non-wood products as a guiding principle of national forest programmes; and enhanced complementarity of national forest programmes and other national strategies relevant to forests. Regional and international bodies have a significant role to play in supporting national planning efforts as well as facilitating long-term sector outlook studies at the regional and global levels.

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Introduction

1. The United Nations Forum on Forests identified the topic "Maintaining forest cover to meet present and future needs" as one of the Forum elements. The multi-year programme of work of the Forum calls for the review of proposals for action of the Intergovernmental Panel on Forests (IPF) and the Intergovernmental Forum on Forests (IFF) related to this topic at the Forum's third session.[1] The present report assesses progress in the implementation of the IPF/IFF proposals for action and highlights emerging issues and challenges meriting the attention of the Forum.

2. The report was prepared by the Forum secretariat, in close cooperation with the member organizations of the Collaborative Partnership on Forests. Sources of information used in the preparation of the paper include: national reports submitted to the Forum at its third session that were available at the time of preparation; national reports submitted to the Commission on Sustainable Development; information from Partnership members, inter alia, submitted on forest sector outlook studies and environmental and biodiversity outlook studies; reports on country- and organization-led initiatives in support of IPF/IFF/Forum proposals; and scientific and policy-related literature on the subject.

I. Background

3. Concern for maintaining forest cover to meet present and future needs emerged in the 1980s as the alarmingly high rate of global deforestation became apparent and fear grew that the supply of forest goods and services would be insufficient to meet future demands. However, maintaining forest cover to meet present and future needs is more than simply a question of meeting the demand, both present and future, for wood and non-wood forest products. Forests provide many other benefits, such as soil and water conservation, conservation of biological diversity, mitigation of climate change, employment-generation, provision of recreational opportunities, and the protection of natural and cultural heritage. Maintaining forest cover to meet present and future needs is therefore a question of ensuring adequate protection of the full range of forest values.

4. The topic of maintaining forest cover to meet present and future needs is clearly linked to many other Forum elements (and corresponding proposals for action), including: combating deforestation and forest degradation; forest conservation and protection of unique types of forests and fragile ecosystems; rehabilitation and conservation strategies for countries with low forest cover; rehabilitation and restoration of degraded forests and the promotion of natural and planted forests; and economic and social aspects of forests. The emphasis of the IPF/IFF proposals for action uniquely related to maintaining forest cover to meet present and future needs is on the assessment of long-term trends in the supply and demand of forest goods and services, and countries' efforts to secure these needs over the long term through the development of national forest programmes and related policies and strategies that contribute to the protection of the full range of forest values.

5. The IPF/IFF proposals for action that are most relevant to maintaining forest cover to meet present and future needs are listed in the table. They have been grouped to facilitate a focused discussion on this topic at the third session of the

Forum.[2] It should be noted that the text contained in the table is meant to convey the scope of the listed proposals; but it is not negotiated text nor is it intended to replace the negotiated text.

IPF/IFF proposals for action related to maintaining forest cover to meet present and future needs

Type of action called for	*Paragraph reference*	
	IPF[a]	*IFF*[b]
Assessing long-term trends in respect of forest goods and services	28 (a)	121 (a)
		121 (b)
Improving data collection and information dissemination on forest resources, both wood and non-wood forest products and services, and assessing long-term trends in supply and demand		121 (c)
Developing national policies and strategies for sustained production of a wide range of forest products and services	58 (b) (i)	85 (b)
		122 (a)
Seeking long-term security of forest products and services, taking into account the full range of forest values, through development of national forest programmes, policies to support sustainable forest management, and the enhanced role of the private sector		122 (b)
		122 (d)

[a] In document E/CN.17/1997/12.
[b] In document E/CN.17/2000/14.

6. IPF urged countries to assess the long-term trends in forest goods and services. Special emphasis was directed to investing in sustainable forest management and strengthening forest institutions' capacities. Furthermore, IPF urged countries with low forest cover to seek long-term security of forest goods and services through the development of national forest programmes.

7. Subsequently, IFF, in its discussions on programme element II.D.7, "Future supply of and demand for wood and non-wood forest products and services" (see E/CN.17/2000/14, sect. II), further promoted policies to support sustainable forest management (including of natural and planted forests and trees outside forests). IFF also recognized the role of the private sector in securing long-term availability of forest products and services. IFF encouraged the development and implementation of policies designed to promote the sustainable production of wood and non-wood forest goods and services that reflect a wide range of values, including cultural, spiritual, environmental and economic ones.

8. In addition to reporting on progress in the implementation of IPF/IFF proposals for action, this report addresses some related emerging issues of importance. Furthermore, the report addresses means of implementation, including finance, transfer of environmentally sound technologies and capacity-building, as related to maintaining forest cover to meet present and future needs.

II. Implementation of relevant Intergovernmental Panel on Forests/Intergovernmental Forum on Forests (IPF/IFF) proposals for action

9. The present section focuses on progress achieved in implementation of the IPF/IFF proposals for action indicated in the table. It provides a brief overview of progress by countries, multilateral organizations and forest-related stakeholders.

A. Progress in assessing long-term trends in forest goods and services

1. National efforts to assess long-term trends

10. Most countries have a national forest programme or another planning framework that includes forests, which considers current and future needs for forest products (see sect. B below). Although these are generally forward-looking, most countries do not base them on rigorous outlook studies or even on studies of long-term trends in forest products. The long-term projections of forest products are focused on timber; long-term trend studies of non-wood forest products are practically non-existent, owing to the lack of data on these products, many of which do not enter domestic or international markets in significant quantities.

11. Long-term timber trend analyses are mainly a feature of countries that have important commercial timber resources but, even so, relatively few countries carry out such forecasts. The countries that do are almost exclusively developed countries and countries with a long tradition of national forest planning. Among the long-term trend studies and planning efforts mentioned in national reports submitted to the Forum at its third session include: the 100-, 30- and 10-year timber forecasts of the State Forest Service of Hungary; Sweden's Forest Impact Analysis (SKA 99), published in the year 2000, which analyses the possible use and development of Sweden's forests for the next 100 years; and the long-term production forecasts of the United Kingdom of Great Britain and Northern Ireland, the most current of which was published in 2001.[3] A few of these countries indicated that their national forest programme is based on these long-term forecasts.

12. Apart from the relatively limited number of timber production forecasts and in-depth outlook analyses carried out by countries, some national outlook studies have been produced in conjunction with regional and subregional forest sector outlook studies. These, as well as global outlook studies, provide countries with a wider context for national planning efforts and for national forest policy deliberations and analyses.

2. Global analyses of long-term trends

13. Three global studies of long-term timber trends and forest sector outlooks have been carried out since the establishment of IPF: "Long-term trends and prospects in world supply and demand for wood and implications for sustainable forest management: a synthesis", by the European Forest Institute (EFI) and Norwegian Forest Research Institute (1996); and the "Global Fibre Supply Model" (1998) and "Global Forest Products Outlook Study" (1999), by the Food and Agriculture Organization of the United Nations (FAO).[4]

14. The study by the European Forest Institute and Norwegian Forest Research Institute was carried out as a country-led initiative sponsored by Norway in support of IPF. It described the key factors affecting supply and demand of wood and their future development, including population, income, prices, technology, institutions and policies; provided a global outlook of supply and demand of wood; and discussed implications for sustainable forest management.[3] It developed outlooks for industrial roundwood production to the year 2020 and for industrial roundwood consumption to the year 2050.

15. The FAO Global Forest Products Outlook Study (1999) is the most recent in the series of long-term projections of future consumption, production and trade of forest products that FAO has carried out and published regularly since 1982. The study's outlook horizon is 2010. It forecasts future supply and demand, based on econometric modelling of past trends in forest products' markets. The most recent study, however, has attempted to go beyond the traditional approach in that it seeks to make predictions with regard to forest policy and forest management and how they affect future supply and demand.

16. The FAO Global Fibre Supply Model, carried out at the request of the forest industry, involved the development of a model based on data collected on forest area, area available for wood supply according to current legal and market conditions, and biomass and potential sustainable yield of wood from those areas. The study also looked at the supply of other sources of fibre that could be used as substitutes for wood in some products. The time-horizon for the study was 2010.

17. The findings from these studies suggest that the capacity of the forest and other sources of fibre worldwide is sufficient to meet global demand for the foreseeable future, and thus do not indicate a situation of crisis. However, the situation will vary among countries and regions. Local scarcities may put pressure on forest policy makers to release areas of natural forest for commercial timber harvesting or may require that demand be met by increased imports. Sustainable forest management will be necessary to assure the availability of both goods and services. This will require continued attention to policy, management and trade issues at the national, regional and global levels.

3. Regional forestry outlook studies

18. There has been considerable progress in carrying out regional forestry outlook studies. These have been supported by FAO for many years, but the approach of the recent studies reflects the evolution in the forestry sector's perspective on sustainable forest management. The current series of regional outlook studies involve comprehensive analyses of the long-term vision for forests, inter alia, of a wide range of forest goods and services. They also identify a range of possible choices and options for action that could assist countries in achieving their goal for the future of the forest sector.

19. The European Forest Sector Outlook Study, an effort jointly supported by the Economic Commission for Europe (ECE) and FAO, is currently under way. The most recent member of the series, it was previously known as the European Timber Trend Study, which had been carried out about every 10 years since the 1940s. The name change reflects the broader scope of the study, which addresses a wide range of forest values. The European Forest Sector Outlook Study provides forecasts for European production, consumption and trade of forest products and other values of

forests up to 2030, and discusses the consequences of several policy choices, both internal and external to the sector. It analyses the development of the sector in three different scenarios. A study on the development of forest resources analyses the possibilities of providing the industry with a sufficient quantity of raw material on a sustainable basis.

20. A subregional project, involving the Czech Republic, Hungary, Slovakia and Ukraine and carried out in cooperation with the European Forest Institute, assesses the development of forest resources and future supply and demand of forest products under different management scenarios. The future trends are analysed within the framework of the European Forest Sector Outlook Study.[6]

21. FAO has supported a number of other regional studies.[7] The *North American Timber Trends Study*[8] was published in 1996. More recently, forest outlook studies have been undertaken for other regions. These studies adopt an approach broader than that taken by past regional timber trends studies and aim at helping countries actively shape the future of their forests, based on policies implemented and investments made today. The Asia-Pacific Forestry Sector Outlook Study was completed in 1999. The Forestry Outlook Study for Africa, which resulted in a regional analysis as well as five subregional analyses, was completed in 2003. A Latin American study is under way and is expected to be completed in 2004. FAO has also initiated preparatory work on the Forestry Outlook Study for the Middle East and West Asia region, which is targeted for completion in 2005.

22. The Asia-Pacific Forestry Sector Outlook Study and the Forestry Outlook Study for Africa relied upon information from national forest outlook studies. In the case of the Forestry Outlook Study for Africa, each country attempted to articulate a future vision for its forest sector and what goods and services it expected its forests and trees to provide. This is a different, and in many ways, more difficult approach than projecting from the current situation into the future based upon assumptions about driving forces that impact the forest sector. Findings from the European Forest Sector Outlook Study, the Asia-Pacific Forestry Sector Outlook Study and the Forestry Outlook Study for Africa are provided in the box.

Key findings of recent regional outlook studies

The European Forest Sector Outlook Study drew the following conclusions in respect of the long-term trends for forest products demand, supply and trade in Europe:

- Consumption of all forest products is increasing, but the rate of growth is slowing down.
- Consumption of forest products is growing slower than the economy as a whole.
- Increasing international trade is expected to continue and trade is increasing faster than production and consumption.

The Asia-Pacific Forestry Sector Outlook Study highlighted the following seven trends which will influence the future of the forest sector in the region:

- Demand for goods and services currently provided by forests will continue to increase.
- Physical and regulatory constraints on forest resources use will continue to increase.
- Pressure for sustainable management will continue to gather force.
- Increased attention will be paid to the multiple roles performed by forests and to efforts for ecosystem management.
- Globalization and regionalization will affect the forest sector significantly.
- Demands for social equity will continue and increase.
- New roles and opportunities will emerge for all forest sector stakeholders.

The Forestry Outlook Study for Africa reported on the overwhelming challenges that countries in the region face to maintain forest cover so as to meet present and future needs. These challenges include population growth, slow economic growth, poverty, drought and diseases. As a result, it is expected that the situation for the forest sector in the next two decades in Africa will be characterized by:

- Continued loss of forest cover, more or less at the current rate.
- Negligible efforts to apply sustainable forest management.
- Depletion of non-wood forest products and, most importantly, medicinal plants.
- Continued dependence on wood as the major source of energy.
- The export of most wood and other products without any addition of value undermining the potential for enhancing employment and income.

23. The findings of the European Forest Sector Outlook Study, the Asia-Pacific Forestry Sector Outlook Study and the Forestry Outlook Study for Africa have been presented to and discussed by the respective regional forestry commissions supported by FAO and the results of the Forestry Outlook Study for Africa were discussed at the session of the FAO Committee on Forestry held in March 2003. The intent is to have the results of these three studies, as well as the national analyses carried out in conjunction with the studies, integrated into national forest planning processes (including national forest programmes) and also taken into consideration by potential investors in the forest sector.

B. Developing national policies and strategies for sustained production of a wide range of forest products and services

24. The successful maintenance of forest cover relies on the recognition of the multiple functions and roles of forests, consideration of society's long-term needs for forest goods and services, and the development of national forest policies that will provide for these future needs. Collaboration with the various policy and planning processes in sectors that have an impact on forest resources and harmonization among the strategies are key to the achievement of forest sector goals.

25. Significant progress has been made towards the implementation of IPF/IFF proposals for action calling for national strategies for sustainable forest management that consider a full range of forest values. Today, a majority of countries have developed and are in the process of implementing national forest programmes or similar policy frameworks including forests.

26. A survey of 145 countries, which was undertaken by FAO in 1999, showed that 96 per cent of them had national forest programmes in various stages of development. The same survey reported that implementation was under way in only about 44 per cent of the countries. The survey and other sources of information indicate, however, that forest policies and legislation have undergone significant changes in many countries over the past decade. At the second session of the Forum, the Secretary-General reported on progress in implementing national forest programmes (see E/CN.18/2002/4). This report and national reports to the Forum at its second and third sessions, the Commission on Sustainable Development and the FAO regional forestry commissions, among other sources of information, indicate that many countries have amended forest policies and legislation to take into account a wider range of forest values, goods and services. They also indicate that their national forest programmes or related planning processes are forward-looking, covering a planning horizon of 10 or more years. Furthermore, there is a growing trend among countries to develop forest policies and programmes through a consultative process involving a range of stakeholders.

27. Two major mutually supportive initiatives have been launched over the last few years to assist developing countries in their efforts to develop and implement national forest programmes and to strengthen the knowledge base and build capacity in some developing countries. These are the National Forest Programme Facility and the Programme on Forests (PROFOR). PROFOR is a multi-donor partnership hosted by the World Bank. Since the establishment of PROFOR in 1997 (then hosted by the United Nations Development Programme (UNDP)), the programme has provided

support to national forest programmes in the following countries: Cameroon, Costa Rica, Guyana, Malawi and Viet Nam. The National Forest Programme Facility is hosted by FAO and supported by a number of donors and the participating developing countries.

28. There has been rapid progress since the outset of the IPF/IFF/UNFF process in the development and implementation of criteria and indicators for sustainable forest management. Currently about 150 countries, covering most forests of the world, are participating in nine regional and international criteria and indicators processes. The development and implementation of criteria and indicators contributed significantly to forest planning and sustainable management. They have provided many countries with a useful framework for addressing the full range of forest values in the development of national forest policy and planning efforts. The recently convened "International Conference on the Contribution of Criteria and Indicators for Sustainable Forest Management: The Way Forward" (Guatemala, 3-7 February 2003) highlighted the positive impact that criteria and indicators have had in many countries at the national and subnational levels in forest policy and planning and in forest management. The Conference recognized that criteria and indicators have many applications, including serving as a framework for setting goals and assisting strategic planning. Furthermore, the Conference recommended the mainstreaming and integration of criteria and indicators into national forest programmes. Progress in development and implementation of criteria and indictors for sustainable forest management will be discussed at the Forum's fourth session.

29. Many countries have developed and implemented other types of national strategies that are related to the forest sector, including national biodiversity strategies and action plans under the Convention on Biological Diversity[9] and national action plans under the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa.[10] Currently 94 countries have reported to the Convention on Biological Diversity on their national biodiversity strategies and action plans. While progress has been made in some countries to ensure complementarity between national biodiversity strategies and action plans and national forest programmes, notably in Europe, further efforts are needed in this regard, particularly in other regions.

30. Some countries report that they have developed mechanisms for better cross-sectoral coordination and collaboration. Nonetheless, in most countries, significant challenges with respect to achieving effective integrated planning remain. The long-standing challenges facing effective intersectoral cooperation among the forest and related sectors (for example, agriculture, water, energy) persist and are compounded by attempts to make effective linkages with the broader agendas and instruments for poverty reduction and sustainable rural development.

31. IPF and IFF highlighted the role of the private sector in developing strategies for sustained production of a wide range of forest products and services. Market strategies and policies that alleviate market imperfections increase the incentives for the private sector to produce a wide range of forest goods and services on a sustainable basis. The identification of policy and market failures, strengthening of the regulatory framework and other measures to improve the investment climate could help to achieve a more favourable balance between risk and returns and induce investments in the forest sector. Secure land tenure and transferable

ownership rights can also promote sustainable forest management and the production of different products and services. Capacity-building of the private sector, particularly small forest owners and local communities, in respect of improving the quality of their products and services, promoting market demand and enhancing a secure and sufficient supply base has helped to increase the production of many wood and non-wood forest products and brought new goods into the market. An added benefit has been the creation of new income opportunities for the poor and increasing private commitment for sustainable forestry, which increase equity and efficiency.

32. The trend generally seems to be to develop and promote more market-based instruments so as to promote adequate production and a more equitable distribution of costs and benefits related to environmental public goods. Instruments such as tradable permits and emission charges stimulate pollution control in the private sector, and if they are well designed and well implemented, the members of the private sector can in this manner contribute to policy goals while following their own economic interests.[11]

C. Country experiences and lessons learned

33. A number of lessons have emerged from countries' experiences and from efforts by regional and international organizations with respect to the implementation of IPF/IFF proposals for action related to maintaining forest cover for present and future needs.

34. The process of forecasting the future is particularly challenging in developing countries that have weak information bases. Many countries do not have sufficient information to give them a clear picture of even the current status of their forest resources. This, compounded by weak institutional structures and planning capabilities, makes it difficult to carry out outlook studies and long-term planning. Some common weaknesses in information were uncovered by many countries in carrying out sector planning and outlook studies. Areas of weaknesses in respect of data cited in national reports to the Forum and that emerged from FAO regional outlook studies in Africa and Asia, included, among others:

- Information on forest resources on private lands.
- Information on trees outside forests.
- Data on non-wood forest products.
- Data on forest products markets and industry.
- Information on the informal sector in forest products.

35. Reliable and periodic assessments of the current situation and trends in quantities and values of production and trade of non-wood forest products do not exist for most countries. Moreover, most data that do exist are not comparable among countries. Although the importance of non-wood forest products as a significant source of food and income in many countries is recognized, few countries monitor these products systematically.[12]

36. The situation is similar with regard to the informal sectors in forest products. The Forestry Outlook Study for Africa reported on the active informal sector in

forest products — for example, fuelwood and charcoal — that was known to exist in Africa, but underlined the lack of data on its extent and value. Trees outside forests are largely unaccounted for in most countries (until recently, only a few countries attempted to inventory this resource), although these too are recognized as significant, though unquantified, sources of wood and non-wood forest products as well as important ecosystem services.

37. A lesson emerging from national outlook studies done in conjunction with the Asia-Pacific and Africa regional forest sector outlook studies, the Asia-Pacific Forestry Sector Outlook Study and the Forestry Outlook Study for Africa, was that countries find that it is far easier to carry out timber trend studies that project from the current situation into the future using certain assumptions, than to begin by articulating future needs for a wide range of forest goods and services and identifying means of realizing that desired future. Methods of predicting possible future scenarios by extrapolating from the current situation are quite well developed, although they are data-intensive and reliant on good analytical capabilities, and the soundness of the analysis is heavily dependent on the quality of the existing data and the assumptions made about change factors. Methods and tools to help countries and various stakeholders visualize a desired future are not as well developed.

38. Several countries have learned that achieving wide stakeholder involvement in long-term planning efforts brings various benefits. First, it helps them to understand the relative importance to stakeholders of various forest values. This information is essential for identifying not only the country's present needs from the forest but also its future needs. Second, active and broad stakeholder participation in long-term planning efforts helps to build a constituency that supports, and works towards a long-term vision for forests based upon a full range of values. This provides stability in the face of political and administrative changes over time.

39. Because the forest sector is complex and has social, cultural, economic and environmental dimensions, various forest values are reflected in different sectoral plans and in national commitments to a variety of international and regional processes. The challenge is to facilitate intersectoral communication and coordination and to ensure consistency in planning across sectors and processes, and at the same time to allow for the flexibility needed to respond to political developments and changing conditions and priorities. Furthermore, the relative importance of the forest sector in the national economy influences the political attention and support it can garner, and thus its relative position in intersectoral discussions.

D. Emerging issues relevant to country implementation

40. While environmental concerns have dominated the environment and development discussions since the United Nations Conference on Environment and Development, the World Summit on Sustainable Development and the United Nations Millennium Summit mark a recent shift in emphasis towards development and poverty alleviation. Clarifying and highlighting the contribution of forests to food security and to access to safe drinking water and affordable energy will illustrate forests' relevance to the international agenda set out by the World Summit on Sustainable Development. Increased attention is needed to ensure that maintaining forest cover will contribute to meeting these basic human needs,

particularly for those people who live in and around forests, including forest dwellers and indigenous people. It is estimated that more than 1.6 billion people depend, to varying degrees, on forests for their livelihoods, including some 350 million people who live in, or around, forests.

41. Forests have a role to play in achieving the Millennium Development Goals set out in the United Nations Millennium Declaration,[13] in particular poverty reduction and environmental sustainability. The proportion of land area covered by forests has been identified as an important indicator for measuring progress in environmental sustainability. A key target in the Millennium Development Goals is to halve, by 2015, the proportion of people living in extreme poverty. It has been reported that forest resources directly contribute to the livelihoods of 90 per cent of the 1.2 billion people living in extreme poverty.[14] Furthermore, forests play an important role in the provision of clean and reliable water supplies, which are essential for meeting the target of halving the proportion of people without sustainable access to safe drinking water by 2015. Forests and tree resources are essential sources of medicinal plants and animals that are critical for rural communities lacking access to formal health-care systems.

42. Many countries and international organizations are increasingly articulating the link between forest activities and poverty reduction strategies in policies and programmes. The revised forest strategy for the World Bank Group, which was adopted in October 2002, has identified harnessing the potential of forests to reduce poverty as one of its three founding pillars. Within this strategy, the World Bank will focus on creating economic opportunities, empowerment, and security for rural people, especially poor and indigenous people.

III. Means of implementation

43. The means of implementation identified by the Forum — finance, capacity-building and transfer of environmentally sound technologies — are essential for the implementation of the IPF/IFF proposals for action related to maintaining forest cover for present and future needs. The present section addresses the means of implementation as regards assessing long-term trends in forest goods and services and national forest programmes.

A. Finance

44. Financing sustainable forest management has been a key issue in the international forest policy dialogue over the past decade, including extensive discussions in IPF and IFF, as well as in country-led initiatives in support of these processes, such as the Croydon Workshop on Financing Sustainable Forest Management, held in Croydon, United Kingdom of Great Britain and Northern Ireland, in October 1999, and the follow-up International Workshop of Experts on Financing Sustainable Forest Management, held in Oslo in January 2001 (see E/CN.18/2001/8).

45. Many developing countries have a need for official development assistance (ODA) to support sustainable forest management. The Oslo Workshop recognized that the lack of funding is often not the sole constraint on investment in sustainable

forest management in developing countries and countries with economies in transition: also important is the lack of enabling conditions. At the national level, key constraints are often the low commitment and priority given to the forest sector by both beneficiary countries and their donor partners, insecure land tenure, policy and market failures, high levels of actual and perceived risk related to factors outside the forest sector, and weak and unstable regulatory environments, among others. The fact that in many countries forestry is an economic activity with low return relative to other sectors makes it less attractive for investment.

46. Some countries note in their reports to the Forum that the relative importance of the forest sector in their national economies is declining, while non-marketable goods and services are attracting increasing attention. Others indicate concern about being able to maintain the income levels of small forest owners. The reduced profitability of the forest sector may lead to reduced capacity for addressing increased environmental considerations in forest operations. Moreover, the transaction costs associated with management for non-marketable goods and services decrease the financial returns from forestry and the potential attractiveness of investment in the sector.

47. Financing for sustainable forest management is addressed more generally in the report of the Secretary-General on economic aspects of forests (E/CN.18/2003/7). Efforts to develop market-based instruments for environmental protection and production of ecosystem services will help provide financial support for forest management that takes into consideration the full range of forest values. Although financial support through bilateral and multilateral development assistance and financing mechanisms is important, the fact remains that total allocations for the forest sector have declined in recent years. The Global Environmental Facility, which provides for the incremental cost of environmental protection, is another source of funding that can contribute to maintaining multiple values of forests. In order to be able to finance forest sector projects that provide for the full range of forest values, development banks often need to "carry" the costs of management for non-market forest values by including project components with a relatively high rate of financial return. In summary, the ability to bear the additional costs of managing forests to maintain or enhance their full range of values, including environmental and social benefits, seems to depend, at least in the short term, on management for timber production and other marketable goods or services.

B. Transfer of environmentally sound technologies

48. The major need for transfer of environmentally sound technologies related to this element involves data collection and information dissemination. Accurate and reliable data are fundamental to the development of long-term national forest strategies. Geographic Information Systems and satellite remote sensing to supplement field forest inventories are increasingly being used for data collection. Development and sharing of methodologies for data collection on forest resources that have not traditionally been monitored, including non-wood forest products and trees outside forests, are needed. Forest information management systems constitute another area where transfer of technology is helpful. Internet technology is increasingly important for the dissemination of information electronically. In this area, transfer of technology is more constrained by financial considerations than by technological barriers.

C. Capacity-building

49. Capacity-building and development of human resources relevant to this element are especially linked to data collection and analysis for the purpose of assessing long-term trends in forest goods and services, carrying out outlook studies, and developing national policies and strategies for sustained production of a wide range of forest products and services. Inadequate human and institutional capacity has limited the ability of many countries to implement the IPF/IFF proposals relevant to maintaining forest cover to meet present and future needs.

50. International organizations, including Collaborative Partnership on Forests members, continue to play a major role in strengthening capacity in the areas of long-term trend analyses and incorporation of the results into national forest programmes. The work of FAO on forest sector outlook studies and on follow-up actions to incorporate the findings into national policy and planning efforts, inter alia, through support to national forest programme development, is notable. In terms of integrating the full range of forest values into national forest sector planning, a number of Partnership members (including the International Tropical Timber Organization, FAO, the Center for International Forestry Research, the World Conservation Union, the United Nations Environment Programme, the Convention on Biological Diversity, the Global Environment Facility and the International Union of Forest Research Organizations) are working to support criteria and indicator processes. The International Tropical Timber Organization is holding a series of training workshops to improve monitoring and reporting on criteria and indicators for sustainable forest management. The International Tropical Timber Organization has several projects in developing countries that aim at putting in place management and developing procedures to standardize the collection, entry and processing of data. FAO, through the Forest Resources Assessment and other activities, is assisting countries with the collection of national forest statistics and information.

51. Despite the above-mentioned examples of Partnership member activities, capacity-building towards maintaining forest cover to meet present and future needs will require intensified effort to assist countries, particularly developing countries, in strengthening national research capabilities and developing capabilities through training programmes focusing on long-term strategic planning for the forest sector.

IV. Conclusions

52. Maintaining forest cover to meet present and future needs is an overarching objective of sustainable forest management and therefore it is closely linked to many of the 16 Forum elements. This report focuses on the IPF/IFF proposals for action specifically related to maintaining forest cover for present and future needs, that is to say, those proposals addressing the issue of the assessment of long-term trends in forest goods and services, and national efforts to develop policies and strategies for sustained production of a wide range of forest products and services.

53. There has been a steady development of forest sector planning efforts at the national level, complemented by regional and global outlook studies for the forest sector. There has been an evolution in the approach to these studies,

reflecting concern for a broad array of forest goods and services and also emphasizing countries' ability to shape their future through the policy decisions they make today. These studies provide valuable information. The degree to which long-term, comprehensive forest sector assessments will contribute to sustainable forest management will depend, however, on their further development at the national level and the extent to which the relevant results of regional and global studies can be incorporated into national planning processes.

54. At the same time that there is a need to incorporate cross-sectoral considerations into national forest programmes, there is also a need to strengthen mechanisms for better coordination among the forest and related sectors (for example, agriculture, water and energy). Moreover, there is an emerging need to make effective linkages between the forest sector and efforts directed towards poverty reduction and sustainable rural development.

55. Throughout the past decade, significant efforts have been made in the development and implementation of criteria and indicators for sustainable forest management. Several countries are using criteria and indicators in forest policy and planning to ensure that a full range of forest values are taken into consideration. However, there is a need to mainstream and integrate criteria and indicator processes into the framework of national forest programmes in order to strengthen countries' abilities to sustain production of the wide range of forest products and services in the future.

56. Major constraints on the effective implementation of the most relevant IPF/IFF proposals for action are related to weak national institutional structures and planning capabilities which make it difficult to carry out long-term planning. Furthermore, limited financial resources and inadequate human and institutional capacity continue to present challenges to maintaining forest cover so as to meet current and future needs.

V. Points for discussion

57. The Forum may wish to:

(a) Urge countries to strengthen efforts to assess long-term trends in supply and demand for wood and non-wood forest products;

(b) Call upon Partnership members and other international organizations to assist countries in strengthening their capacity for long-term strategic planning at national level, inter alia, in data and information collection, analysis and dissemination;

(c) Invite FAO and the Economic Commission for Europe to continue to carry out global and regional forest outlook studies that encompass a broad range of forest goods and services;

(d) Urge countries to include long-term objectives of meeting future supply and demand for wood and non-wood products and services as one of the guiding principles in the development and implementation of national forest programmes;

(e) Encourage countries to mainstream and integrate criteria and indicators into national forest programmes so as to strengthen efforts to take into account the full range of forest values in long-term planning;

(f) Urge countries, with the support of relevant Partnership members, to foster synergies between national forest programmes and other national strategies that are relevant to forests;

(g) Urge countries to inventory and improve the availability, accessibility and sharing of information on environmentally sound technologies relevant to the sustainable production of wood and non-wood forest goods and forest services.

Notes

[1] This was included in the multi-year programme of work of the United Nations Forum on Forests for 2001-2005 (see *Official Records of the Economic and Social Council, 2001, Supplement No. 22* (E/2001/42/Rev.1), part two, sect. B, resolution 1/1, para. 4 (b)).

[2] This identification of the IPF/IFF proposals for action relevant to this particular element of the Forum plan of action builds upon the effort of the Government of Australia and the Programme on Forests (PROFOR) of the World Bank to relate all proposals for action to the various Forum elements.

[3] Copies of the national reports submitted to the Forum at its third session are available on the Forum web site (http://www.un.org/esa/forests).

[4] See Food and Agriculture Organization of the United Nations (FAO), *State of the World's Forests, 1997* (Rome, FAO, 1997), p. 76; and the European Forest Institute and Norwegian Forest Research Institute (1996) (see note 5 below) for a summary of global outlook studies on wood supply carried out prior to and in 1995.

[5] The initiative resulted in a report: Birger Solberg, ed., *Long Term Trends and Prospects in World Supply and Demand for Wood and Implications for Sustainable Forest Management*, Research Report 6 (Joensu, Finland, European Forest Institute, 1996).

[6] National report submitted by Hungary to the United Nations Forum on Forests at its third session (see http://www.un.org/esa/forests/).

[7] For information on all FAO-supported outlook studies, refer to: http://www.fao.org/forestry/foris/webview/forestry2/index.jsp?siteId=1301&langId=1.

[8] United Nations publication, Sales No. E.96.II.E.2.

[9] United Nations, *Treaty Series*, vol. 1760, No. 30619.

[10] Ibid., vol. 1954, No. 33480.

[11] R. N. Stavins, "Experience with market-based environmental policy instruments", discussion paper 00-09 (Washington, D.C., Resources for the Future, 2000).

[12] FAO has been supporting efforts to improve the database on non-wood forest products. Under a joint European Commission-FAO programme, inventory methodologies for assessing non-wood forest products have been developed and published. In addition, FAO has developed a standard reporting format to assist countries in recording statistics on production and trade of major non-wood forest products. The resulting information has been made available in the FAO Global Resources Assessment, available through http://www.fao.org/forestry.

[13] See General Assembly resolution 55/2.

[14] See "A Revised Forest Strategy for the World Bank Group", adopted in October 2002.